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U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF
NEW YORK

2010 MAY 19 A 10:54

RECEIVED/MP
May 18, 2010

Honorable Elizabeth S. Stong
U.S. Bankruptcy Court
2781 Cadman Plaza East
Brooklyn, New York 11201

Re: Lessno, LLC, Alleged Debtor
United States Bankruptcy Court, Eastern District of New York
Case No. 09-44979

Dear Judge Stong:

I am pleased to advise a mediation was held in this matter on May 17, 2010.

A tentative settlement was arrived at between the parties. However, the individuals appearing for the Alleged Debtor indicated that they could not formally agree to the settlement proposal that was worked out without consulting with Neveq's Investment Advisory Board, as the proposal requires the transfer of certain Lessno LLC assets (Neveq is a lender to Lessno and apparently controls Lessno). Pursuant to the settlement proposal, Neveq has until the close of business on May 20, 2010 to advise whether the proposal is accepted. Assuming that it is, the petitioners have until May 24, 2010 to confirm that they also consent and that time may be extended for various reasons to May 27, 2010.

As soon as I am advised that all sides formally agree to the settlement proposal, I will advise Your Honor. In the event that one or more does not consent, I will ask the attorneys to meet with me again to try to formally settle this matter.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "Herman Cahn", written over a horizontal line.

Herman Cahn

HC:aab